

REPs for SEPs

Cleaner Air and Water, Courtesy of Polluters

Renewable energy projects can stimulate the economy, help ensure energy security, and improve the quality of your air and water. Supplemental environmental projects (SEPs) are a policy vehicle that can provide funding for your renewable energy projects (REPs). In 1999 alone, the federal government negotiated \$237 million in supplemental environmental project settlements.

What Are Supplemental Environmental Projects?

When a company violates environmental regulations, it must pay a fine to the state or federal government. The U.S. Environmental Protection Agency (EPA) designed supplemental environmental projects to give violators an alternative to standard fines. Instead of paying the full amount of its fines, the company can volunteer to fund environmentally friendly projects. These projects can provide a positive outcome for the company and the community. Federal law permits all states to incorporate renewable energy into supplemental environmental projects, so communities can enjoy cleaner air and water, courtesy of the polluters.



Diverse Economy

The economic benefits to states implementing renewable energy projects include new revenue and new jobs that often target underdeveloped areas, such as rural communities and American Indian reservations. Renewable energy projects also diversify energy portfolios, providing a hedge against future price spikes of traditional fuels.

- Farmers can benefit directly from the use of their land for renewable energy projects. For example, a 20-MW wind facility (which serves approximately 6,000 homes) located on a 1,000-acre farm would provide the farmer with more than \$50,000 in additional revenue each year, while only using about 20 acres of the land.
- In Carbon County, Wyoming, the Foot Creek Rim Wind Plant will provide enough electricity to power 50,000 average U.S. homes. Even better, property tax revenue from the wind plant provides 30% of the county budget—a major economic impact in the community.



Secure Energy

Now more than ever, energy security is in the spotlight. Renewable energy applications address valid concerns about reducing dependence on foreign oil and ensuring the safety of our nation's power plants. During a disaster, solar power can refrigerate vaccines and medical supplies and power communication equipment. Supplemental environmental project dollars can be used to outfit schools with solar power that will provide a learning opportunity for students and a secure, powered base of operations for a community during a disaster.



Healthy Environment

Almost 98 percent of air pollution can be attributed to the production and use of energy. Renewable energy projects can reduce the need for building new fossil-fueled power plants. Supplemental environmental project dollars can fund renewable energy projects that have the potential to make an impact on a state's environment and public health. By using one kilowatt of renewable energy, it is possible to avoid annual emissions equal to driving more than 4,000 miles in an average passenger car.



Renewable Energy Benefits Communities

Economic: Communities in rural Texas are finding out about the economic benefits of wind power firsthand. Ranchers in west Texas welcome the revenue from wind projects that is replacing revenue from soon-to-be-depleted oil wells. In fact, the perception of Texas as an oil exporter is being replaced by its new image as a leader in the renewable energy industry. The Lower Colorado River Authority estimates that its wind power project will contribute \$300 million to the Texas economy in the next 25 years. Energy revenue is spent in local communities. In addition, building wind power projects can help contribute to a stronger infrastructure of roads and power lines, creating jobs in the process.

Energy security: Renewable energy not only provides a secure, domestic energy source, but it also has a long history of supplying power during disaster relief efforts. For example, when Hurricane Andrew ravaged Florida, solar power survived the storm and provided lights for several communities until utility power was restored weeks later.

Environment: When a Denver company violated pollution limits in Colorado, company officials worked with the state government to develop a Supplemental Environmental Project. As a result, the company is purchasing wind energy for at least five years. This project eliminates the need to burn 1,820 tons of coal, improving the state's air quality at a level equal to planting more than 1,000 acres of trees.

In Utah, as part of its settlement with EPA for violations of the Clean Air Act that caused excess emission of NO_x and SO_x, a company agreed to provide funding for additional wind turbines for the Utah Blue Sky Program. This will allow the program to provide more electricity generated by wind power (green power), thereby reducing emissions by reducing the generation needs from traditional power plants.

If green power is not available in an area, a violator can purchase "green tags." Under a green tag program, the violator will continue to purchase energy from its utility, but it can also purchase green tags from a renewable energy producer. Although the violator may not actually receive and use the power purchased from the green producer, it will receive credit for the environmental benefits of the green power purchase.



CONTACTS

The following contacts are ready to answer all of your questions about renewable energy supplemental environmental projects.

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For more information about renewable energy and projects, visit these Web sites:

State Energy Alternatives
www.eren.doe.gov/state_energy/

Wind Powering America
www.eren.doe.gov/windpoweringamerica/

Green Power Network
www.eren.doe.gov/greenpower/



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